

[For Immediate Release]



Sa Sa Announces Sales Performance in Hong Kong and Macau during Labour Day Holiday in 2018

(7 May 2018 – HONG KONG) – **Sa Sa International Holdings Limited** ('Sa Sa' or the 'Group', stock code: 0178) announced the unaudited sales performance of its retail business in Hong Kong and Macau during the Labour Day Holiday from 29 April to 1 May 2018.

The Group's year-on-year growth in retail sales in Hong Kong and Macau increased by approximately 34.4%* during the Labour Day Holiday 2018 as compared to last year (namely 29 April to 1 May 2017). Sales attributable to mainland customers recorded a growth of 41.5%, driven mainly by a 23.4% increase in transaction volume and a 14.6% increase in average sales per transaction. On a same store basis, sales recorded a growth of 31.7%* which sales to local and mainland customers increased by 12.5% and 38.9% respectively. The overall sales performance was in line with the Group's expectations. According to the Hong Kong Immigration Department, the number of mainland tourist arrivals during this period increased by 22.2% on a year-on-year basis while the departure of Hong Kong residents dropped by 27.6%, both resulting in boosting traffic and consumption in Hong Kong, leading to sales growth.

Dr Simon Kwok, SBS, JP, Chairman and Chief Executive Officer of the Group, said, "Apart from the external factors giving rise to increase in traffic and consumption in Hong Kong, the Group's efforts in logistics and products also contributed to sales improvement. Firstly, the relocation and consolidation of our warehouses in the middle of the financial year ended 31 March 2018 have started to bear fruits. Secondly, the continuing efforts to improve our product offerings and the balancing of sales growth against gross profit margin have led to an increase in sales while compromising gross profit margin within an acceptable level. Gross profit dollar has improved satisfactorily. Benefitting from the retail market recovery, the Group remains optimistic about the outlook of the Hong Kong and Macau markets and will continue to optimise product offerings and enhance customers' shopping experience to cater for the fast changing markets."

** Figures exclude adjustments according to the Hong Kong International Financial Reporting Interpretation Committee – Interpretation 13 on the bonus point scheme.*

– End –